



DEPARTMENT OF HUMAN RESOURCES
DIVISION OF HEALTH CARE FINANCING AND POLICY
NEVADA ✓ CHECK UP

June 21, 2000

Michelle Browne
Division of Integrated Health System
Health Care Financing Administration
Mail Stop C3-20-7
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Dear Ms. Browne:

Thank you for your request dated June 15, 2000, requesting additional information and clarification regarding Nevada's State Plan Amendment for the State Children's Health Insurance Program. We appreciate having the opportunity to respond to each of your concerns.

Upon review of your three concerns and/or comments, we respectfully submit our responses as follows:

Section 4. Eligibility Standards and Methodology

1. **Section 4.4.2: How will applicants be asked to identify whether they are American Indians or Alaska Natives? Please specify any documentation requirements that will be used to verify AI/AN status.**

Response: The Nevada JCheck Up application contains a question regarding the child's ethnicity. The possible responses are as follows: African American, Asian, Hispanic, Native American, White, and Other. When the applicant indicates Native American or Other (Alaska Native), the following process is followed:

- If the application is submitted through a Tribal entity, such as a Tribal Clinic or Indian Health Services/Hospital, the tribal worker will verify the applicant's membership in a Federally recognized tribe (as determined by the Bureau of Indian Affairs) and code the application accordingly.
- Nevada ✓ Check Up will accept Tribal entities identification code in lieu of required documentation by a special code that represents the child is an American Indian or Alaska Native member of a Federally recognized tribe.

- If the application is not **submitted** through a Tribal entity, the applicant **must** submit a copy of one of the **following documents**:
 - 1) **Tribal membership** identification card
 - 2) **Certificate of Indian Blood (CIB)**

Under Nevada ✓ Check Up, the premium payment is charged per household. Therefore, the premium will be **waived** whenever there is at least one child in the household **who** is a member of a Federally recognized tribe.

This response has been included in Section 4.3, of the State Plan.

2. Section 43: Page 16 paragraph 3 states, **“there will not be an enrollment fee for redeterminations of eligibility.”** Since your approved plan does not include enrollment fees, please delete this sentence.

Response: The sentence has been deleted from Section 4.3. of the State Plan.

Section 8. Cost-Sharing and Payment

3. Section 8.2.1: **How do the amendments, especially those related to cost sharing, affect the budget for Nevada Check Up? Please submit revised budget estimates.**

Response: The fiscal impact of waiving the quarterly premium equates to enrolling 50 additional children per quarter or 2.2 children per household at an average premium payment of \$13.81 per quarter or \$55.25 per year per household.

The projected cost of waiving the premium for FFY 2000

- 4th quarter: 159 households (350 children) x \$13.81 = \$2,196
- Total FFY 2000: \$ 2,196

The projected cost of waiving the premium for FFY 2001

- 1st quarter: 181 households (400 children) x \$13.81 = \$ 2,500
- 2nd quarter: 205 households (450 children) x \$13.81 = \$ 2,831
- 3rd quarter: 227 households (500 children) x \$13.81 = \$ 3,135
- 4th quarter: 250 households (550 children) x \$13.81 = \$ 3,453
- Total FFY 2001: \$11,919

Under Nevada ✓ Check Up, the premium payment is charged per household. Therefore, the premium will be waived whenever there is at least one child in the household **who** is a member of a Federally recognized tribe.

This response has been incorporated in Sections 8.2.1. and 9.10 of the State Plan.

The enclosed Sections of the State Plan incorporate the aforementioned changes and are in bold typeface as follows:

- 1) Eligibility Standards and Methodology: Sections 4.3. - 4.4.2. (Pages 14-19)
- 2) Cost Sharing and Payment: Section 8.2.1. (Pages 38 - 39)
- 3) Strategic Objective and Performance Goals For the Plan Administration: Section 9.10 (Pages 46 - 46a)

Hopefully, our responses address your concerns so that Nevada's State Plan Amendment can be approved. Should you have any questions regarding our responses, please do not hesitate to contact Joanne Grundman at (775) 687-4176 Extension 252,

Sincerely,

Janice A. Wright, Administrator

Attachment

cc: Linda Minamoto, Associate Regional Administration, HCFA, Region IX

- status. If the child receives SSI and is eligible for Medicaid, the child will not be enrolled in Nevada ☒ **Check Up** and will be referred to Medicaid.
- 4.1.7. ☒ Access to or coverage under other health coverage: The application form asks questions about all access to health care coverage, both public and private, on the application form before the child is enrolled in the program. Random checks will be done by contacting employers for verification of health insurance coverage. A child will be found ineligible 1) if a child has creditable health insurance; 2) is eligible for health benefits coverage under a State health benefits plan based on a family members' employment with a public agency in the State; or 3) has had coverage under an employer plan six months prior to the date of application. The six month waiting period may be waived if the applicant provides evidence that the loss of insurance was due to actions outside the applicants control (e.g., employer discontinues health benefits).
- 4.1.8. ☒ Duration of eligibility: (Revised) A child is eligible until the annual eligibility re-determination date, no later than one year from the most recent date of enrollment, unless the child moves out of state; becomes enrolled in Medicaid; secures other health insurance; becomes an inmate of penal institution or an institution for mental diseases; dies; or fails to pay quarterly premiums. A 60-day grace period will be allowed prior to disenrollment for failure to pay the premium. Families can remain in the program from year to year if they continue to meet the eligibility criteria
- 4.1.9. ☐ Other standards (identify and describe):

4.2. The state assures that it has made the following findings with respect to the eligibility standards in its plan: (Section 2102)(b)(1)(B))

- 4.2.1. ☒ These standards do not discriminate on the basis of diagnosis.
- 4.2.2. ☒ Within a defined group of covered targeted low-income children, these standards do not cover children of higher income families without covering children with a lower family income.
- 4.2.3. ☒ These standards do not deny eligibility based on a child having a pre-existing medical condition.

4.3. Describe the methods of establishing eligibility and continuing enrollment.
(Section 2102)(b)(2)) (Revised)

Eligibility will be determined through a one-page, two-sided application form, which will include the following information:

Name, Social Security number, date of birth, age, sex, ethnicity, and relationship to applicant of all children in the household;
All sources of income, earned and unearned;
Name of person responsible for a child's health care;

Insurance status, including whether insurance is offered through an employer; and
Citizenship and residency.

In addition, the applicant ~~must~~ provide proof of income by submitting copies of the two ~~most~~ current pay stubs from each job. If self-employed, the applicant ~~must~~ submit a copy of the most recent income tax return.

Eligibility applications will be made available statewide through schools, child care facilities, family resource centers, social service agencies, and other locations where eligible children and/or their parents frequent. The applications will be completed and returned to a central processing facility of DHCFP in Carson City, Nevada. An 800 number has been established and listed on the application as well as on posters and marketing brochures at the above mentioned locations.

The Nevada JCheck Up application contains a question regarding the child's ethnicity. The possible responses are as follows: African American, Asian, Hispanic, Native American, White, and Other. When the applicant indicates Native American or Other (Alaska Native), the following process is followed:

- If the application is submitted through a Tribal entity, such as a Tribal Clinic or Indian Health Services/Hospital, the tribal worker will verify the applicant's membership in a Federally recognized tribe (as determined by the Bureau of Indian Affairs) and code the application accordingly.
- Nevada ✓ Check Up will accept Tribal entities identification code in lieu of required documentation. The special code represents that the child is an American Indian or Alaska Native member of a Federally recognized tribe.
- If the application is not submitted through a Tribal entity, the applicant must submit a copy of one of the following documents:
 - 1) Tribal membership identification card
 - 2) Certificate of Indian Blood (CIB)

Under Nevada ✓ Check Up, the premium payment is charged per household. Therefore, the premium will be waived whenever there is at least one child in the household who is a member of a Federally recognized tribe.

All applicants will be considered equally. The applications will be processed and those found eligible will be sent enrollment forms, subject to a full enrollment limitation (see below). Applicants will have a maximum of 120 days to return the enrollment form, including the quarterly premium, and to select a health plan for the child(ren). If the applicant fails to include the premium fee or to select a plan, the form will be returned and the child(ren) will not be enrolled until the premium and selection are received. American Indians or Alaska Natives, who are members of Federally recognized Tribes, are exempt from paying premiums.

Upon receipt of the completed enrollment form and premium, the information will be entered into a database. An approval notice will be sent to the applicant with the following information:

- Household Nevada ✓ Check Up ID number,
- Names of eligible children;
- Name of Health Plan;
- Effective month of enrollment; and
- The amount and due dates of the quarterly premium.

Full Enrollment Limitation

If applications exceed the available money, the families with the highest income levels will be put on a waiting list.

If necessary, up to five percent (5%) of available funds will be set aside for children with financial hardship (those coming off of Medicaid and children in families at or below \$15,000 per year who are not found to be eligible for Medicaid) to ensure that they can be immediately enrolled in Nevada ✓ Check Up.

If sufficient money is not available to enroll all eligible children, families who make application after the program is fully subscribed will be placed on a waiting list. Families on the waiting list will be sent enrollment forms when sufficient slots are available based on the lowest family gross income. Slots can become available because enrollment forms are not returned, children drop off the program, or additional funds become available.

Once enrolled, child(ren) will remain on the program (except as noted below) until the next annual eligibility re-determination date. This date will be no later than one year from the child's most recent date of enrollment. Children will be disenrolled the first day of the next administrative month for the following reasons:

- a) The child enrolls in Medicaid (A monthly match will be performed between Medicaid and Nevada ✓ Check Up to ensure no duplications);
- b) The child gets other creditable insurance coverage;
- c) The child moves out of state or out of the home;
- d) The child becomes an inmate of a public institution;
- e) The child becomes a patient in an institution for mental diseases (for more than 30 days);
- f) The child dies;
- g) The family does not pay the quarterly premium (there will be notification and a 60-day grace period for payment);
- h) Child turns 19; or

- i) Child gets married or becomes emancipated.

For subsequent eligibility determinations, all children enrolled in the program will stay in the program as long as the family income is below the program maximum and they are not found to meet the circumstances listed in 4.3 a) through i). (There will not be an enrollment fee for redeterminations of eligibility.) All other applicants will be ranked based on gross family income, and made eligible within available funds. A new waiting list will be established, if necessary.

Management Information Systems Support

All paper flow into and out of central office will be tracked on a newly designed database. This information system will contain a fully automated capitation payments system and a series of tracking records which mirror the handling of paper membership applications from the moment they are received by mail to when the completed application is filed and the family receives its official enrollment notice.

Application and member tracking within the Nevada ✓ Check Up information system will include the determination of member-file status, application processing, eligibility determination, enrollment and the storage of enrollment data for active members. The majority of applicant data is stored in five primary tables: file tracking, application, member's family information and financial information, and enrollment. Tracking will be linked by a family identifier assigned at the time of entry into the tracking system by the child's social security number and/or a unique identification number. Capitation payment to the MCO will be linked to the member's identification number.

Application Tracking

File folders are assembled with the last name of the parent, the postmark date of the application, application tracking record, and all application documentation for each application received. Families will be sent a letter requesting additional or missing information. The applicant will have 30 days to provide the information.

Application information is entered into the data system and a unique family ID is generated at the time of entry for the purpose of linking related records within the system.

Enrollees are required to notify DHCFP if their circumstances change and when they are no longer eligible for Nevada ✓ Check Up. The contract also requires the health plans to report said information to DHCFP within seven days of receipt of information.

4.4. Describe the procedures that assure:

- 4.4.1. Through intake and follow up screening, that only targeted low-income children are furnished child health assistance under the state child health plan. (Section 2102)(b)(3)(A)) (Revised)

In order to be enrolled in Nevada ✓ Check Up, children will have to have been without creditable insurance for at least six months prior to the date of application. This should provide a major disincentive to families to drop current coverage. The exceptions to the six-month waiting period are for children coming off of Medicaid and for families who lose insurance due to circumstances beyond their control (e.g., employer drops health insurance coverage for dependents). In those cases, Nevada ✓ Check Up coverage would not be a substitution for coverage under group health plans.

Information in the application packet includes Medicaid eligibility criteria and how to apply for Medicaid as well as information on differences between Medicaid and Nevada ✓ Check Up. In particular, Medicaid has no cost sharing while Nevada ✓ Check Up has quarterly premiums, which are waived for children who are American Indians or Alaska Natives and are members of Federally recognized Tribes. When the application is submitted, reported income and assets will be screened and any family that appears to meet the income and assets test will be sent a Medicaid application. See 4.4.2.

- 4.4.2. That children found through the screening to be eligible for medical assistance under the state Medicaid plan under Title XIX are enrolled for such assistance under such plan. (Section 2102)(b)(3)(B)) (Revised)

In order to assure that Medicaid eligible children are enrolled in Medicaid, Nevada will take the following steps:

- 1) For families who apply with income below the requirements for Medicaid or, if their income is no more than 25% above the Medicaid income requirement (to account for work expense disregards allowed in the Medicaid eligibility determination), and if the applicant meets the Medicaid assets screen, the Nevada ✓ Check Up application will be considered to be a Medicaid application as well, unless the family has applied for and been denied Medicaid eligibility in the past twelve months. The date of application will be the date received by the State of Nevada.
- 2) If a family that has some children which appear on the basis of the initial screen to be potentially eligible for Medicaid submits the enrollment form and premium payment, those children would be provisionally enrolled in Nevada ✓ Check Up. American Indians or Alaska Natives, who are members of Federally recognized Tribes, are exempt from paying premiums.

- 3) Any family sent a Medicaid application will have two weeks (ten **working days**) to **return the** completed application. If **the** application is not **returned**, **the** family will be sent a notice of denial for Medicaid, but the **notice** will allow **an** additional **two weeks (10 working days)** to provide all necessary **information**.
 - 4) Nevada ✓ **Check Up** staff will **review** all potentially Medicaid eligible children **after** one **month** to **determine if the** family **has** filed a Medicaid **application**. If **no** application **has** been filed, the family **will be** sent a **notice** of **pending disenrollment from Nevada ✓ Check Up**. The family will be given 10 days to **appeal**. If **an** appeal is filed, the children will be **maintained** in Nevada ✓ **Check Up** pending the outcome of **the** appeal. If **no** appeal is filed the children will be **disenrolled at the start of the** following **month**.
 - 5) **Once** a Medicaid **eligibility determination has been** made, the family will be notified. If **the** children **are** approved for Medicaid **and** have previously enrolled in Nevada ✓ **Check Up**, the **Medicaid** program will reimburse Nevada ✓ **Check Up** for the cost of the premiums **paid**. **American Indians or Alaska Natives, who are members of Federally recognized Tribes, are exempt from paying premiums**. In this manner, **the** federal **match** rate for such expenses will be **the lower** Medicaid rate. The family will **also** be **refunded any premiums they** paid. If the children are denied eligibility for Medicaid and have not enrolled in Nevada ✓ **Check Up**, they will be sent another enrollment **form** for Nevada ✓ **Check Up**.
 - 6) Medicaid enrollees will be compared **monthly** with the Nevada JCheck Up enrollees **to ensure that** a child is not enrolled in both **programs**.
 - 7) Nevada J**Check Up** will **maintain** statistics on **families** applying for the program **who** meet the **income** guidelines of Medicaid, including whether **they** apply for Medicaid, **and the disposition of the applications**.
- 4.4.3. That the insurance provided under the **state** child health plan **does not substitute** for coverage **under group health plans**. (Section **2102(b)(3)(c)**) (**Revised**)

In order to be enrolled in Nevada ✓ **Check Up**, children will have to have **been** without creditable insurance **for** at least six **months prior** to the date of application. **This** should provide a major disincentive to families to drop current coverage. The exceptions to the six-month **waiting** period are for children coming **off** of Medicaid and for families **who** **loss** insurance due to **circumstances** beyond their control (e.g., employer drops health insurance coverage for **dependents**). In **those cases**, Nevada ✓ **Check Up** coverage would not be a substitution for coverage under **group health plans**,

DHCFP will closely monitor overall health insurance coverage for children and determine additional steps **to** be taken if substitution (**crowd-out**) appears **to** be

Section 8. Cost Sharing and Payment (Section 2103(c)) (Revised)

- ☐ ~~Check~~ here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan, and continue on to Section 9.

8.1. Is cost-sharing imposed on any of the children covered under the plan?

- 8.1.1. ☒ YES, except for American Indians or Alaska Natives who are members of Federally recognized Tribes.
- 8.1.2. ☐ NO, skip to question 8.5.

8.2. Describe the amount of cost-sharing and any sliding scale based on income:
(Section 2103(c)(1)(A)) (Revised)

- 8.2.1. **Premiums:** A quarterly premium will be charged per family on gross income except for American Indians or Alaska Natives, who are members of Federally recognized Tribes and are exempt. For families above 175% of the Federal Poverty Level (FPL), the premium will be \$50 per quarter (\$200 per year). For families above 150% FPL but at or below 175% FPL, the premium will be \$25 per quarter (\$100 per year). For families at or below 150% FPL, the premium will be \$10 per quarter (\$40 per year). For families who have a maximum monthly charge under federal regulations of under \$10, they will be given the choice of paying the maximum monthly charge each month or the \$10 quarterly fee. For families with a maximum monthly fee of \$3 or less, premiums will be waived. The premium will be due on the first day of each quarter (January 1, April 1, July 1, and October 1).

The fiscal impact of waiving the quarterly premium for Federal Fiscal Years 2000 and 2001 equates to enrolling 50 additional children per quarter or 2.2 children per household at an average premium payment of \$13.81 per quarter or \$55.25 per year per household,

The projected cost of waiving the premium for FFY 2000

- 4th quarter: 159 households (350 children) x \$13.81 = \$ 2,196
- Total FFY 2000: \$ 2,196

The projected cost of waiving the premium for FFY 2001

- 1st quarter: 181 households (400 children) x \$13.81 = \$ 2,500
- 2nd quarter: 205 households (450 children) x \$13.81 = \$ 2,831
- 3rd quarter: 227 households (500 children) x \$13.185 = \$3,135
- 4th quarter: 250 households (550 children) x \$13.198 = \$ 3,453
- Total FFY 2001: \$11,919

Under Nevada ✓ Check Up, the premium payment is charged per household. Therefore, the premium will be waived whenever there is at least one child in the household who is a member of Federally recognized Tribes.

Families will be informed at the time of enrollment notification of the timing and amount of premiums, and a reminder notice will be sent approximately 3 weeks prior to the due date. Should the family fail to submit premium payment by the 10th day of the month the premium is due the health plan will be sent a listing of families who have not paid the quarterly premium. The health plan will be encouraged to contact the family by letter or phone. If payment is not received by the 45th day of the quarter, the family will be sent a notice of disenrollment to be effective the first day of the next month.

- 8.2.2. Deductibles: There are no deductibles.
- 8.2.3. Coinsurance: No co-payments are required
- 8.2.4. Other: Enrollment fee N/A

- 8.3. Describe how the public will be notified of this cost-sharing and any differences based on income: (Revised)

The cost sharing information will be explained to potential enrollees through an informational brochure designed by DHCFP and/or the application packet. Due to the changes in cost sharing for American Indians or Alaska Natives, who are members of Federally recognized Tribes, the application packet will include revised information.

- 8.4. The state assures that it has made the following findings with respect to the cost sharing and payment aspects of its plan: (Section 2103(e)) (Revised)

- 8.4.1. ☒ Cost-sharing does not favor children from higher income families over lower income families. (Section 2103(e)(1)(B))
- 8.4.2. ☒ No cost-sharing applies to well-baby and well-child care, including age-appropriate immunizations. (Section 2103(e)(2))
- 8.4.3. ☐ No child in a family with income less than 150% of the Federal Poverty Level will incur cost-sharing that is not permitted under 1916(b)(1). Premiums will be reduced if the total payments for the plan year divided by the anticipated number of months on the program exceeds the monthly payment limit permitted. Also, if a family is disenrolled during the year, the premiums actually paid would be divided by the number of months actually on the program and compared to the monthly payment limit. If it exceeds the limit, a refund will be issued. American Indians or Alaska Natives, who are members of Federally recognized Tribes, are exempt from cost sharing.
- 8.4.4. ☒ No Federal funds will be used toward state matching requirements. (Section 2105(c)(4))

9.10. Provide a budget For this program, Include details on the planned use of funds and sources of the non-Federal share of plan expenditures. (Section 2107(d))

The budget for the Nevada ✓ Check Up program is included below for Federal Fiscal ~~Years~~ (FFY) 1998 and 1999. The amounts represent the maximum funding that is being committed to the program, even though full enrollment may not be achieved. Actual cost may be significantly lower.

The source of the non-federal funds for Nevada ✓ Check Up is a dedicated account within the state's general fund which is used as a reserve for potential Medicaid cost overruns. The account (called the intergovernmental transfer account) has a surplus due to lower than anticipated Medicaid enrollment which, in accordance with Senate Bill 470 for the 1997 Nevada Legislature, can be used for a children's health program.

	Fiscal Year Ending September 30,	
	1998	1999
<u>REVENUES</u>		
State Funds	\$3,057,000	\$16,553,000
Title XXI Funds	5,678,000	30,742,000
Premium/Enrollment Fee	540,000	2,730,000
	<u>\$9,275,000</u>	<u>\$50,025,000</u>
<u>EXPENSES</u>		
Insurance Payment	\$7,875,000	\$45,675,000
Ongoing Administration	1,000,000	4,000,000
Start Up Administration	400,000	350,000
	<u>\$9,275,000</u>	<u>\$50,025,000</u>

Insurance payments are based on \$1,050 per child per year, for an average of 30,000 children in FFY 1998 (July through September) and 43,500 (maximum enrollment based on the estimated capitated rate) children in FFY 1999. The *actual* capitation rate has not yet been set.

Premiums and enrollment fees are estimated at \$18 per child for FFY 1998 and \$63 per child for FFY 1999. The estimate is based on a blend of income levels and an average of two(2) children per family.

Start up administration costs of \$750,000 will be incurred in FFY 1998, but due to the 10% administration cost limitation \$350,000 will be deferred and claimed in FFY 1999. The 10% limitation for FFY 1998 is calculated by first applying all enrollment fees against administrative costs. The administrative cost limitation for FFY 1998 is \$873,500 (10% x (\$9,275,000-\$540,000)). Administrative cost claimed is \$860,000 (\$1,400,000-\$540,000).

9.10. Provide a budget for this program, Include details on the planned use of funds and sources of the non-Federal share of plan expenditures. (Section 2107(d)) Contd.,

The budget for Federal Fiscal Years (FFYs) 2000 and 2001 for the Nevada ✓ Check Up program includes the loss of premium revenue from American Indians and Alaska Natives totaling \$2,196 for FFY 2000 and 511,919 for FFY 2001. The budget amounts represent the funding that is being committed to the program, even though full enrollment may not be achieved. Actual cost may be significantly lower.

The source of the non-federal funds for Nevada ✓ Check Up for FFYs 2000 and 2001, is the account called the intergovernmental transfer account (IGT). This account can be used for a children's health program in accordance with Senate Bill 470 passed during the 1997 Nevada Legislature.

	Fiscal Year Ending September 30,	
	2000	2001
REVENUES		
State Funds	\$ 4,889,500	\$ 5,881,000
Title XXI Funds	8,692,500	11,178,000
Premium Payment	288,000(1)	653,000(2)
	<u>\$13,870,000</u>	<u>\$17,712,000</u>
EXPENSES		
Insurance Payment	\$13,870,000	\$16,808,000
Ongoing Administration	866,000	4,904,000
Start Up Administration	0	0
	<u>\$13,870,000</u>	<u>\$17,712,000</u>

Note: (1) This amount could have been \$290,196 if the premiums were not waived.
(2) This amount could have been \$664,919 if the premiums were not waived.

Insurance payments are based on \$1,210 per child for FFY 2000 and \$1,430 per child for FFY 2001, for an average of 11,463 children in FFY 2000 and 11,754 children in FFY 2001.

Premiums are estimated at \$55.25 per household for FFYs 2000 and 2001. The estimate is based on a blend of income levels and an average of 2.2 children per family.

The 10% limitation for FFYs 2000 and 2001 is calculated by first applying all premium payments against administrative costs. The administrative cost limitation for FFY 2000 is \$1,349,200 (10% x (\$13,870,000-\$288,000)), and the administrative cost claimed is \$578,000 (\$866,000-\$288,000). The administrative cost limitation for FFY 2001 is \$1,705,900 (10% x (\$17,712,000-\$653,000)), and the administrative cost claimed is \$1,052,900 (\$1,705,900-\$653,000).

Proposed Effective Date Date of Submission to HCFA